13 December 1965

MEMORANDUM FOR: The Honorable Hubert H. Humphrey

The Vice President

SUBJECT: The Dominican Situation

- 1. Attached is a memorandum you may find of interest on the current situation in the Dominican Republic.
- 2. A review of recent developments indicates that the provisional Dominican government has achieved a fragile stability, and most politically minded Dominicans feel it will survive until the elections slated for 1 June. We are by no means out of the woods there yet, but Garcia Godoy appears to be dealing with the worst problems on the left and also to have composed, at least temporarily, his principal differences with the military.

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RAY S. CLINE Deputy Director for Intelligence

Attachment

OCI No. 2954/65, 11 December 1965, "The Dominican Republic: An Assessment."

25X1 Identical memos to: Walt W. Rostow, Thomas C. Mann & Jack Hood Vaughn

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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 11 December 1965

INTELLIGENCE MEMORANDUM

The Dominican Republic: An Assessment

- The provisional government in the Dominican Republic has achieved a fragile stability after a Many moderates and conturbulent break-in period. servatives both in civilian and military life have developed a degree of confidence in the regime -confidence that was badly lacking in mid-October. The continuing series of concessions made to the left appear to have helped achieve Hector Garcia Godoy's purpose--the bloodless elimination of the rebel-held zone. The government now controls the country and most politically minded Dominicans feel it will survive until the elections slated for 1 June. Under these circumstances, Garcia Godoy will probably pursue more balanced policies designed to reconcile the two still hostile factions that contested the civil war.
- Nevertheless, the provisional government remains a government without popular support, bolstered largely by the Inter-American Peace Force. The regime's mode has proven to be compromise but extremist forces of both the left and right remain willing and probably able to mount widespread terrorism if they feel threatened. The Communists have made inroads--most notably in the labor field and among students--from which they may prove difficult to dislodge. The same animosities which tore the country apart in April 1965 remain--magnified by the revolt itself, but now muted at least tempor-It remains to be seen whether the present government can provide the conditions necessary for holding elections in June of 1966 and whether if such elections are held the results will be accepted by the Dominican people without a fresh outburst of violence.

- 3. In mid-October the regime was on shaky ground. The appointment of a number of leftists to leading positions in the government and Garcia Godoy's responsiveness to rebel demands alienated moderates, the military and other conservative elements whose dismay was fanned by the slow pace of collecting arms and reducing the rebel zone in Santo Domingo. Rumors that the military chiefs were to be replaced, coming after the ouster of General Wessin, brought the military to the point of rebellion. Both the extreme left and right attempted to exacerbate civilmilitary tension.
- Since then, the short-term outlook has improved -- a development not all directly attributable to the provisional government. During the last 60 days the "unity of the left" has come undone. Communists have failed to mount effectively large demonstrations and strikes, in part because non-Communist left-wing politicians have judged that for the time being, at least, support of the provisional regime is in their best interest. failure of a disorganized rightist attempt to set up in Santiago an alternative to the provisional government has reduced the appetites of conserva-The firm action of the tives for conspiracy. Inter-American Peace Force in opening up the rebel zone capped Garcia Godoy's torturously slow approach to the enforcement of the peace terms. and the quick end of the Santiago conspiracy contributed to the public consensus that the provisional government will remain in power until elections.
 - 5. Garcia Godoy is now demonstrating that his regime is capable of governing and at the same time is increasingly confident of his own abilities. He also appears to be exercising a closer degree of control over many of his appointees and is injecting himself into policy making in such areas as labor relations. Garcia Godoy's actions in setting elections for 1 June 1966 and filling vacancies of the three man electoral board with two moderates have contributed to a psychological atmosphere in which many politicians look to the future.

6. In the field of government staffing, Garcia Godoy has taken the step of removing the most influential and objectionable appointee, former Attorney General Manuel Morel Cerda. Morel's successor, Gustavo Gomez Ceara, has begun to moderate the influence of leftists in the legal area. In addition. Garcia Godoy has given assurances that Gomez will remove many of Morel's undesirable appointees. Garcia Godoy has promised other staffing changes that will prove beneficial--such as the removal by the Supreme Court of several extremists it appointed to judgeships and the transfer of Franklin Dominguez, a militant rebel who is now the President's Press It should be recognized, however, that Secretary. continued confidence in the regime by conservative civilians and the military will be to some degree dependent on Garcia Godoy's fulfilling these promises and closely supervising those undesirable appointees who remain in office.

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8. The Dominican military appears to be united behind the present armed forces' chiefs. Relations between President Garcia Godoy and the military leaders have improved but remain tenuous. However, both right and leftwing political groups have and will probably continue their attempts to exacerabate tension between the president and the military. The military's opinion of the president has steadily improved since late October as Garcia Godoy has demonstrated his ability to govern and shown himself

not subservient to leftist forces. Garcia Godoy has also apparently realized that he has little to gain by precipitously replacing the present service chiefs and secretary of the armed forces who have proved relatively effective and loyal under the circumstances. In any event the presence of the Inter-American Peace Force, now numbering about 7,000, supporting the provisional government, severely limits the Dominican armed forces' freedom of action.

- 9. The country's two leading political parties, the Reformist Party (PR) and the Dominican Revolutionary Party (PRD) are warming up for the national elections. Although campaigning is supposedly limited to the period three months prior to elections, according to the governing Institutional Act, most Dominican politicians have now turned their efforts toward the election. Former President Joaquin Balaguer, who heads the PR, announced his candidacy in July and has begun making public appearances and Juan Bosch's PRD speeches throughout the country. has still to announce its candidate but it is probable that if the party takes part in the elections, Bosch will be its candidate. The PRD is presently undergoing internal strife as former party leader Angel Miolan and Bosch feud over party leadership. The third ranking National Civic Union (UCN) appears moribund and the numerous micro-parties are jockeying for alliances. The outlawed Communist parties will probably not be allowed to participate in the elections.
- 10. Living conditions, never satisfactory for the greater majority of Dominicans, have already returned to normal. Santo Domingo's shops, restaurants, and commercial institutions most of which are located in the former rebel zone, are now open, but prices are high. Business concerns which adopted pro-revolutionary titles during the revolt have now reverted to their original names. The populace in Santo Domingo, however, appears restless and without direction. Unemployment and underemployment are high. Ship traffic to Santo Domingo, the country's principal port, has resumed but a shortage of storage space is causing some problems. The demand for consumer goods, pent up during the revolt, can be expected

to return the country's trade balance to a deficit despite the government's efforts and lead to a shortage of foreign exchange. Living conditions in the interior of the country were largely unaffected by the revolt except for temporary shortages of food and imported goods. Unemployment, estimated at one third of the labor forces before the revolt, increased as some business concerns suspended operations and the United Fruit Company terminated its banana operations.

ll. Many of the basic social economic problems which beset the Provisional Government would have existed even if there had not been a revolt. They were exacerbated by the recent strife. It is unlikely that in the time remaining to him, Garcia Godoy will be able to do more than make a modest start toward solving some of them. Nor will the holding of free elections provide a panacea.



11 December 1965

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INTELLIGENCE MEMORANDUM

THE DOMINICAN REPUBLIC: AN ASSESSMENT

DIRECTORATE OF INTELLIGENCE Office of Current Intelligence

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